AD400-1A

The Aluminum Situation

Department of Economics and Statistics

July 1986

Shipments Up 4.3 Percent

Net shipments for five months of 1986, at an estimated 6,758 million pounds, were up 4.3 percent from the first five months of 1985 total of 6,477 million pounds.

Domestic shipments of 6,349 million pounds were up 6.7 percent from the 1985 five month total of 5,953 million pounds.

Imports of ingot and mill products were up 44.9 percent and exports were down 22.0 percent.

Thru May 1986

	5 Mos. 1986	5 Mos. 1985	% Change
Mill Products	5,434	5,023	+ 8.2%
Ingot	1,324	1,454	- 8.9%
Total	6,758	6,477	+ 4.3%
Less Exports	-409	-524	-22.0%
Domestic Total	6,349	5,953	+ 6.7%

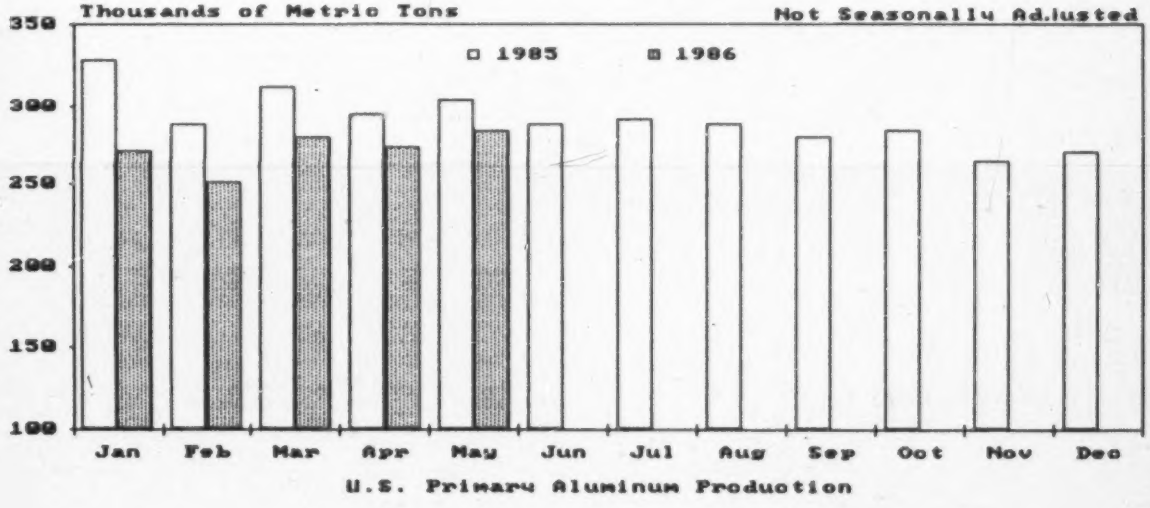
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

Production Rate Down 17.8 Percent

U.S. primary aluminum production averaged 7,901 metric tons daily during June 1986, compared with an average 9,616 metric tons per day in June 1985.

The annual rate of production in June 1986 was 2,883,707 metric tons, compared to 3,349,099 metric tons in May 1986. The June 1985 annual rate was 3,509,669 metric tons. Actual production in June 1986 was 237,017 metric tons.

Primary Production



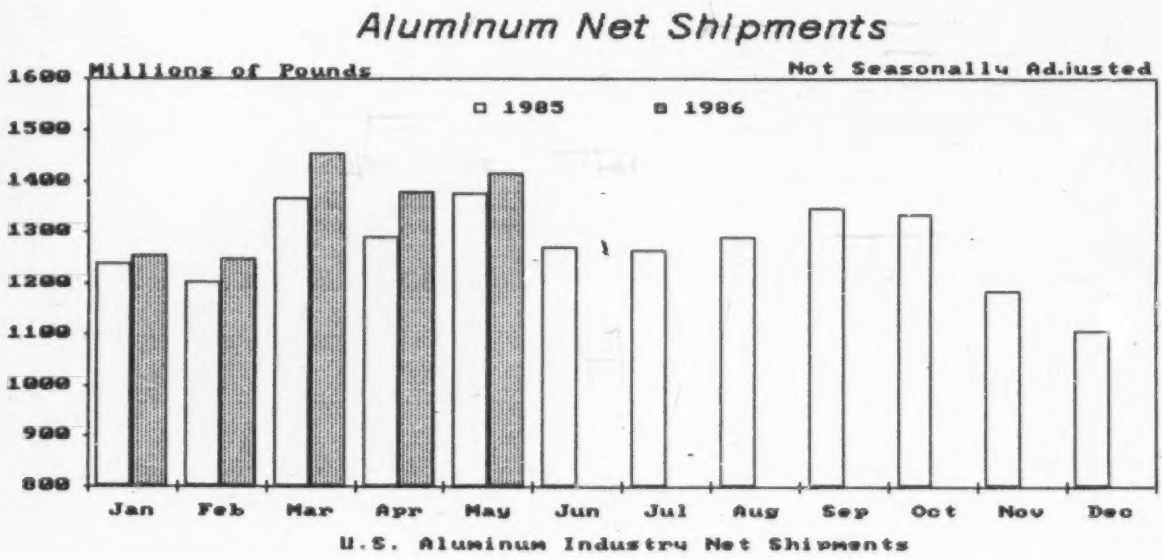
U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Net Shipments Up 4.3 Percent

Estimated shipments of 6,758 million pounds for five months of 1986 were up 4.3 percent from the 1985 five month total of 6,477 million pounds. Exports were down 22.0 percent so domestic shipments showed a 6.7 percent increase over a year ago.



Net Shipments

(Millions of Pounds)

	1986 May	1985 May	1986 5 Mos.	1985 5 Mos.	% Change YTD 1986 vs. 1985
Sheet	625.0	565.6	2,828.0	2,578.3	+ 9.7
Plate	25.0	22.6	117.9	112.8	+ 4.5
Foil	78.0	71.9	385.5	340.3	+13.3
Rod, Bar & Wire	39.0	24.5	168.7	133.2	+26.7
Electrical Conductor	58.0	61.4	271.3	303.3	-10.6
Extruded Shapes & Tube**	240.0	223.7	1,157.5	1,089.7	+ 6.2
Powder & Paste	11.0	11.2	45.8	48.4	- 5.4
Forgings & Impacts	11.0	13.7	61.5	64.1	- 4.1
Net Imports of Mill Products (Total)(a)	94.0	72.9	397.9	352.3	+12.9
Total Mill Products	1,181.0	1,067.5	5,434.1	5,022.4	+ 8.2
Ingot(b)	235.0	309.1	1,324.3	1,454.4	- 8.9
TOTAL INDUSTRY SHIPMENTS	1,416.0	1,376.6	6,758.4	6,476.8	+ 4.3
Exports	-79.2	-99.3	-409.0	-524.3	-22.0
TOTAL DOMESTIC SHIPMENTS	1,336.8	1,277.3	6,349.4	5,952.5	+ 6.7

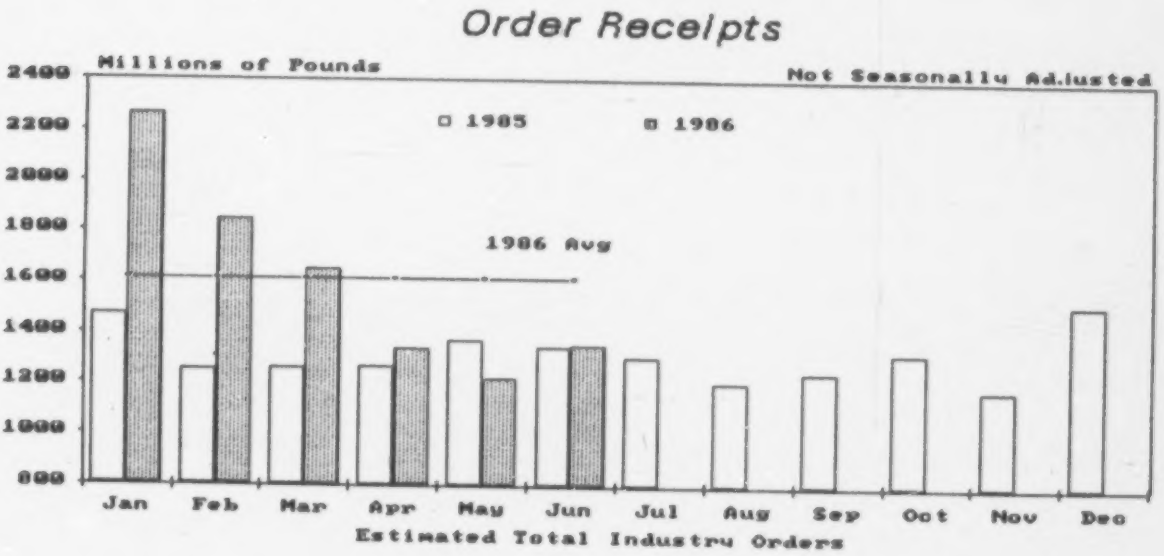
** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Net New Orders Up 21.6 Percent

Estimated net new order receipts for the first half of 1986 at 9,690 million pounds were up 21.6 percent over the first six months of 1985 total of 7,966 million pounds. June orders of 1,371 million pounds were up 12.4 percent from the May 1986 level of 1,220 million pounds.



Order Receipts

(Millions of Pounds)

	1986 June	1985 June	1986 6 mos.	1985 6 mos.	% Change YTD 1986 vs. 1985
Can Stock(a)	288.8	375.5	1,870.7	1,768.1	+ 5.8
Sheet & Plate, Other	284.1	333.1	2,095.2	2,071.2	+ 1.2
Foil	75.0	57.2	443.8	375.9	+ 18.1
Rod, Bar & Wire	21.6	10.8	170.7	74.7	+128.5
Electrical Conductor	60.1	54.2	352.9	365.3	- 3.4
Extruded Products	212.5	189.8	1,422.2	1,229.5	+ 15.7
Powder & Paste	6.7	14.2	46.3	64.3	- 28.0
Forgings & Impacts	6.9	6.6	59.8	57.9	+ 3.3
Domestic Mill Products	955.7	1,041.4	6,461.6	6,006.9	+ 7.6
Ingot (Total)	370.9	200.2	2,815.7	1,442.8	+ 95.2
TOTAL DOMESTIC	1,326.6	1,241.6	9,277.3	7,449.7	+ 24.5
Exports	44.7	102.7	412.3	516.2	- 20.1
TOTAL ALL PRODUCTS	1,371.3	1,344.3	9,689.6	7,965.9	+ 21.6

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.

May 1986 Inventories Decreased 100 Million Pounds

Producer inventories decreased an estimated 100 million pounds in May 1986 from a revised April level of 5,096 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Jun 85	5,596	2,436	664	2,496
Jul 85	5,575	2,450	681	2,444
Aug 85	5,489	2,397	695	2,396
Sep 85	5,438	2,359	662	2,416
Oct 85	5,337	2,347	643	2,347
Nov 85	5,246	2,286	612	2,348
Dec 85	5,165r	2,235r	567r	2,363r
Jan 86	5,161	2,167	561	2,433
Feb 86	5,158	2,038	562	2,558
Mar 86	5,054r	1,865r	521r	2,668r
Apr 86	5,096r	1,790r	562r	2,743r
May 86	4,996	1,776	562	2,658

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1986 May	1985 May	1986 5 Mos.	1985 5 Mos.	% Change 1986 vs. 1985
Imports	Mill Products	95.2	91.8	439.5	441.4	- 0.4
	Ingot	329.4	160.2	1,300.4	759.4	+ 71.2
	Total	424.6	252.0	1,739.9	1,200.8	+ 44.9
	Scrap (+ dross)	28.5	21.6	133.9	103.6	+ 29.2
	Grand Total	453.1	273.6	1,873.8	1,304.4	+ 43.7
Exports	Mill Products	41.8	33.8	199.0	189.9	+ 4.8
	Ingot	37.4	65.5	210.0	334.5	- 37.2
	Total	79.2	99.3	409.0	524.4	- 22.0
	Scrap	57.5	68.1	312.9	358.8	- 12.8
	Grand Total	136.7	167.4	721.9	883.2	- 18.3
Net Imports		316.4	106.2	1,151.9	421.2	+173.5

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.